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SUBJECT: MOSCOW MULLS SOCIAL UNREST AFTER VLADIVOSTOK

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Classified By: Ambassador John Beyrle. Reason: 1.4 (d).

11. (SBU) Summary: The scope and spontaneity of protests last December against the regime's anti-crisis policies sparked speculation about the potential for unrest and political crisis in the coming year. Opponents of the regime and even some loyalists seized upon the protests as a sign of broader discontent, fueling expectations for crisis-driven change. In the protests' wake, the Levada Center polling firm and other observers downplayed the threat of social unrest to the regime, citing continued high ratings for the tandem and the absense of any alternative leadership. Federal authorities took the protests seriously, sending loyal forces to $\tt Vladivostok$ to disperse the demonstrators and implementing an aggressive PR campaign to discredit the protesters as stooges of mafia networks or foreign interests. Putin and Mededev's emphasis on protecting jobs and providing sufficient social benefits reflects the leadership's sensitivity to the kinds of social unrest that already have roiled the Baltics and Eastern Europe. Their penchant for force to quell social protest carries the risk of over-reaction to future localized demonstrations. End Summary.

Social Unrest Buzz

- 12. (SBU) Critics of the regime heralded the protest wave that swept across Russia in December against the government's decision to raise import tariffs on the import of automobiles (particularly the lucrative inflow of used cars from Japan and Europe) as evidence of the shaky social foundations of the Putin system (reftel A). The sight of thousands of ordinary citizens on the streets harked back to the 2004 pensioners' protests over the monetization of benefits or, for the more radically minded, even to the demonstrations that brought down the Soviet Union. Deputy Director of the Ombudsman's Office Georgiy Kunadze told us that he saw a connection between public demands for socio-economic rights and demands for political rights. He alluded to the widespread protests in 2004 that successfully persuaded the GOR to scrap a plan to monetize pension benefits. He acknowledged that "people don't always think about free speech when they're thinking of their pocketbooks," and that civil society is currently not active. However, he said that the very act of asserting economic rights naturally becomes political. "The state may not be fully ready to acknowledge these freedoms," he said, "but the people are ready to demand it."
- 13. (C) The protests fed speculation from across the political spectrum that the deepening economic crisis would create a parallel societal crisis. From the right, Anatoliy Chubais gave the system only a 50 percent chance of surviving the crisis unchanged during an interview with the New Times. Former Premier turned democratic opposition leader Mikhail Kasyanov predicted an "inevitable" social crisis this spring.

Vladimir Milov of the Solidarity movement stressed that social tensions provided a beleaguered opposition with the means to attract the populace and could put a brake on the further co-option of the opposition forces by the Kremlin. On the left, the Communist Party has rallied to support protesters, working with the "automobilisti" in Vladivostok and other cities to plan rallies at the end of this month.

Cooler Heads

- 14. (SBU) More measured assessments, however, suggested that rising popular concern about the economic situation is unlikely to turn to politicized social unrest in 2009. Lev Gudkov, director of the Levada Center polling firm, told a conference of sociologists on January 15 that the situation in the country is not as "dramatic" as portrayed in the media. He challenged the idea that the deteriorating economic picture had significantly changed the public's support for the regime, citing polling data that the Medvedev/Putin tandem continues to enjoy high ratings among the general population. Gudkov admitted that the pendulum may be swinging back to a more skeptical and critical position -- the tandem's approval ratings have slipped from the peak of positive assessments in March 2008, associated with Medvedev's election, and their stratospheric popularity when society "rallied round the flag" in September after the conflict in Georgia. (Medvedev's approval ratings dipped from a high in September of 83 percent to 75 percent in January; Putin's from 88 to 83 percent, according to Levada Center polls.) Moreover, as the head of the Insitute for Contemporary Development Igor Yurgens noted, at least half of the population already feels the economic crisis, and the rankings for the government outside the tandem remains low. That said, public satisfaction remains far above the abysmal ratings that the Yeltsin government enjoyed in the 1990s. Gudkov noted that traditional Russian perserverance and adaptablity will likely carry the population through the crisis without widespread social unrest.
- 15. (C) In private conversations, many of our political contacts agreed that the Vladivostok protests did not presage nationwide social dislocation. Nezavisimaya Gazeta owner/editor Konstantin Remchukov described the masses as "politically dark" and uneducated -- likely to believe what they see on television. Boris Makarenko, Deputy General Director of the Center for Political Technologies, argued that there is no viable alternative to the Putin system, seeing the Communists and Vladimir Zhirinovskiy's "Liberal Democratic Party" as gaining some votes in regional elections, but failing to provide a coherent alternative vision to counter the nationalist/populist United Russia agenda. In particular, he noted the stability of the two "capitals" of Moscow and St. Petersburg, with the former enjoying the strongest social support net in Russia and the most diversified economy.
- 16. (C) Even firm critics of the regime are cautious about the chances for a mass social movement against the government. In an article in New Times magazine, Editor in Chief Yevgenia Albats laid out her view of a political crisis emerging in Russia among the elite, but downplayed any expectations of a broad social movement. She cited the continued atomization of society, weak institutions of civil society, and ineffective trade unions as reasons why the Yeltsin administration did not suffer widespread social unrest and why, given the increased difficulty in passing information and the fear of repression under the current administration, she doubted it would be an issue today.

Moscow's Not So Complacent

17. (C) The center's robust, if somewhat belated, response to the Vladivostok events suggests that the Medvedev/Putin team takes the risk of social unrest seriously, reflecting the administration's continuing distrust of society. Overriding objections by the Primorskiy region's leadership, special

OMON forces from the Ministry of Internal Affairs from Moscow were sent to Vladivostok to put down the protests. Federation Council member Mikhail Margelov told the Ambassador on January 5 that Interior Minister Rashid Nurgaliyev had briefed a closed group of MPs that he had authority to "fire on crowds" if necessary. Coercive force remains the regime's instinctive reaction to any perceived opposition and is like to remain so; the government has decided not to cut the number of MVD forces as planned earlier (ostensibly to be ready for the 2014 Sochi Olympics). Remchukov noted to us that funding for the MVD and police forces has been increased, providing better pay, equipment, and the capacity for greater mobility around Russia.

- $\underline{\$}$ 8. (C) In addition to physically crushing the protests, the administration sought to discredit the participants, emphasizing the role played by "mafia" groups in organizing and funding the demonstrations. Deputy Premier Sechin sneered at the protesters as "swindlers;" former United Russia spokesman Andrey Silantev dismissed the protest as small, noting that television reporting showed "big, bulky" men from the automobile mafias out to protect their contraband business. Others sought to assess blame on the "outsiders," with the Vladivostok Mayor reviving the Yeltsin-era bogeyman, George Soros, as the dark force behind the movement. A Duma investigation alleged that foreign security services were behind the protests, continuing a long tradition of blaming the West for Russia's woes. The day after the OMON forces quelled the protests in Vladivostok, the head of the St. Petersburg GUVD publicly warned about the activization of human rights and societal groups "through which foreign security services finance extreme activities" -- an indirect indictment of the auto tariff protests that had taken place in his city.
- 19. (SBU) Concern about social unrest may help to explain the administration's focus on limiting unemployment (using administrative pressure on regional authorities and business leaders to forego layoffs) and other anti-crisis measures. Medvedev's December 24 speech underscored the goal of "maintaining the human resource base" during the crisis with the veiled threat of using Russia's labor code as a tool to limit layoffs. Comments by Medvedev pal and Presidential Plenipotentiary to the Urals Region Nikolay Vinnichenko illustrate the depths of the central government's concern. During a meeting with regional businessmen, he warned that it was necessary to minimize the number of laid-off workers and

to assist any dismissed workers in finding work because "they could potentially take to the streets. And if they do so, they will have no mercy on you or us."

110. (SBU) Fear of social unrest may be driving other policies, including the ruling party's new campaign of "pro-government" demonstrations -- Kremlin political master Vladislav Surkov's plan to use United Russia as a tool for rallying loyal forces (reftel B). Putin and Medvedev's meetings with independent labor union leader Mikhail Shmakov, who seeks to change Russia's laws on strikes, may signal a new political alliance with labor as a means to leverage the unions for the administration's goals. More subtly, Finance Minister Kudrin has begun publicly addressing the need to monitor "discretionary" spending. This terminology has hitherto been foreign to Russian analysis of the federal budget. Nevertheless, it suggests the GOR is beginning to contemplate the raft of socially-oriented expenditures -- unemployment, health care, etc. -- as budgetary "entitlements."

Comment

111. (C) Despite some public hyperbole, few see the chance for a broad-based popular uprising against the regime: the Putin system continues to enjoy wide support (even if grumbling has begun) and there is no political force to present an alternative vision. Localized protests like the Vladivostok demonstrations are the modern day equivalent of the peasant

"bunt" (uprising) and will occur as economic pressures increase on long-suffering citizens, who then lash out in frustration. Moreover, as in the Far East, we can expect local and even regional elites to try to leverage popular discontent to support their agendas in conflict with the Moscow line. Yet, as in the past, there are no institutions to bind the discontented together and the protests are unlikely to go beyond the "burning of the manor house" that provides an immediate outlet for frustration, but no leverage to change the political system.

112. (C) Nonetheless, the protests spooked central authorities, already nervous about the potential social impact of the economic crisis. In conjunction with the administration's economic "anti-crisis" program, we see evidence of a parallel political program designed to neutralize potential threats to social order and, by extension, to the regime itself. Reminiscent of Soviet techniques, Medvedev and Putin appear ready to use the knout of repressive force and administrative pressure with a measured propaganda campaign to mitigate the underlying causes of social discontent and manage it. The risk remains, however, that Kremlin nervousness and a deteriorating socio-economic situation could lead to an overreaction by federal forces. End Comment.